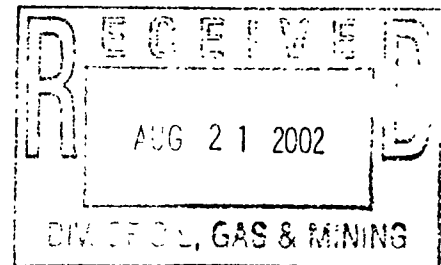


File Number M/045/005  
Effective Date Sept 6, 2002  
Other Agency File Number \_\_\_\_\_

**STATE OF UTAH**  
**DEPARTMENT OF NATURAL RESOURCES**  
**DIVISION of OIL, GAS and MINING**  
1594 West North Temple Suite 1210  
Box 145801  
Salt Lake City, Utah 84114-5801  
Phone: (801) 538-5291  
Fax: (801) 359-3940



**RECLAMATION CONTRACT**  
---00000---

For the purpose of this RECLAMATION CONTRACT the terms below are defined as follows:

"NOTICE OF INTENTION" (NOI): (File No.)	<u>M/045/005</u>
(Mineral Mined)	<u>Limestone &amp; Shale</u>
"MINE LOCATION":	
(Name of Mine)	<u>Little Mountain Quarry</u>
(Description)	<u>Tooele County, Utah</u>
"DISTURBED AREA":	
(Disturbed Acres)	<u>23.3 acres</u>
(Legal Description)	<u>(refer to Attachment "A")</u>
"OPERATOR":	
(Company or Name)	<u>Utah Portland Quarries, Inc.</u>
(Address)	<u>10401 North Meridian Street, Suite 400</u>
	<u>Indianapolis, Indiana 46290-1090</u>
(Phone)	<u>(317) 706-3300</u>

**"OPERATOR'S REGISTERED AGENT":**

Name)  
(Address)

CT Corporation  
208 S. LaSalle 8<sup>th</sup> Floor  
Chicago, IL 60604  
(800) 475-1212

(Phone)

**"OPERATOR'S OFFICER(S)":**

Michael B. Clarke, President  
William A. Humenuk, V.P. & Secretary  
Harry M. Philip, Vice President  
John L. Quinlan, Vice President & Treasurer

**SURETY":**

(Form of Surety - Attachment B)

Surety Bond

**"SURETY COMPANY":**

(Name, Policy or Acct. No.)

SAFECO INSURANCE COMPANY OF  
AMERICA -- Bond No.

**"SURETY AMOUNT":**

(Escalated Dollars)

\$69,800

**"ESCALATION YEAR":**

2007

**"STATE":**

State of Utah

**"DIVISION":**

Division of Oil, Gas and Mining

**"BOARD":**

Board of Oil, Gas and Mining

**ATTACHMENTS:**

A "DISTURBED AREA":

B "SURETY":

This Reclamation Contract (hereinafter referred to as "Contract") is entered into between Utah Portland Quarries, Inc. the "Operator" and the Utah State Division of Oil, Gas and Mining ("Division").

WHEREAS, Operator desires to conduct mining operations under Notice of Intention (NOI) File No. M/045/005 which has been approved by the Utah State Division of Oil, Gas and Mining under the Utah Mined Land Reclamation Act, Sections 40-8-1 et seq., Utah Code Annotated, (1953, as amended) (hereinafter referred to as "Act") and implementing rules; and

WHEREAS, Operator is obligated to reclaim that area described as the Disturbed Area as set forth and in accordance with Operator's approved Reclamation Plan, and Operator is obligated to provide surety in form and amount approved by the Division, to assure reclamation of the Disturbed Area.

NOW, THEREFORE, the Division and the Operator agree as follows:

1. Operator agrees to conduct reclamation of the Disturbed Area in accordance with the Act and implementing regulations, the original Notice of Intention dated August 30, 1985, and the original Reclamation Plan dated February 1985. The Notice of Intention as amended, and the Reclamation Plan, as amended, are incorporated by this reference and made a part hereof.
2. Concurrent with the execution hereof, Operator has provided surety to assure that reclamation is conducted, in form and amount acceptable to the Division. Such surety as evidenced by the Surety Contract is in the form of the surety attached hereto as Attachment B and made a part hereof. The Surety Contract shall remain in full force and effect according to its terms unless modified by the Division in writing. If the Surety Contract expressly provides for cancellation, then, within 60 days following the Division's receipt of notice that the Surety Company intends to cancel the Surety Contract, the Operator shall provide a replacement Surety Contract in a form and amount reasonably acceptable to the Division. If the Operator fails to provide an acceptable replacement Surety Contract, the Division may order the Operator to cease further mining activities and to begin immediate reclamation of the Disturbed Area.
3. Operator agrees to pay legally determined public liability and property damage claims resulting from mining to the extent provided in Section 40-8-7(1)(e) of the Act.
4. Operator agrees to perform all duties and fulfill all reclamation requirements applicable to the mine as required by the Act and implementing rules, the Notice of Intention, as amended and the Reclamation Plan, as amended.
5. The Operator's liability under this Contract shall continue in full force and effect until the Division certifies that the Operator has reclaimed the Disturbed Area in accordance with the Act and implementing rules, the Notice of Intention, as amended and the Reclamation Plan, as amended.
6. If reclamation of discrete sections of the Disturbed Area is completed to the satisfaction of the Division, and the Division finds that such sections are severable from the remainder of the Disturbed Area, Operator may request the Division to certify that Operator has reclaimed such discrete sections of the Disturbed Area in accordance with the Act and Implementing rules, the Notice of Intention, as amended and the Reclamation Plan, as amended. If the Division makes such certification, Operator may make request to the Division that the aggregate face amount of the Surety Contract provided pursuant to paragraph 2 be reduced to an amount necessary to provide for completion of the remaining reclamation. The Division shall hear Operator's request for such reduction in accordance with the Board's Procedural Rules concerning requests for Agency Action.

7. Operator agrees to indemnify and hold harmless the State, Board and the Division from any claim, demand, liability, cost, charge, suit, or obligation of whatsoever nature arising from the failure of Operator or Operator's agents and employees, or contractors to comply with this Contract.
8. Operator may, at any time, submit a request to the Division to substitute surety. The Division may approve such substitution if the substitute surety meets the requirements of the Act and the implementing rules.
9. This Contract shall be governed and construed in accordance with the laws of the State of Utah.
10. If Operator shall default in the performance of its obligations hereunder, Operator agrees to pay all costs and expenses, including reasonable attorney's fees and costs incurred by the Division and/or the Board in the enforcement of this Contract.
11. Any breach that the Division finds to be material of the provisions of this Contract by Operator may, at the discretion of the Division, result in an order to cease mining operations. After opportunity for notice and hearing, the Board of Oil, Gas and Mining may enter an order to revoke the Notice of Intention, order reclamation, or order forfeiture of the Surety Contract, or take such other action as is authorized by law.
12. In the event of forfeiture of the Surety Contract, Operator shall be liable for any additional costs in excess of the surety amount which are required to comply with this Contract. Any excess monies resulting from forfeiture of the Surety Contract, upon completion of reclamation and compliance with this Contract, shall be returned to the rightful claimant.
13. This Contract including the Notice of Intention, as amended and the Reclamation Plan, as amended, represents the entire agreement of the parties involved, and any modification must be approved in writing by the parties involved.
14. Each signatory below represents that he/she is authorized to execute this Contract on behalf of the named party.

OPERATOR:

Utah Portland Quarries, Inc.  
Operator Name

By Harry M. Philip  
Authorized Officer (Typed or Printed)

Vice President  
Authorized Officer - Position

Harry M. Philip 8-16-02  
Officer's Signature Date

STATE OF Indiana )  
COUNTY OF Hamilton ) ss:

On the 16<sup>th</sup> day of August, 2002, Harry M. Philip  
personally appeared before me, who being by me duly sworn did say that he/she is the  
Vice President of Utah Portland Quarries, Inc. and duly  
acknowledged that said instrument was signed on behalf of said company by authority  
of its bylaws or a resolution of its board of directors and said  
Harry M. Philip duly acknowledged to me that said  
company executed the same.

Debra L. Grady  
Notary Public  
Residing at in Hamilton County  
3-19-07  
My Commission Expires:

DIVISION OF OIL, GAS AND MINING:

By Lowell P. Braxton  
Lowell P. Braxton, Director

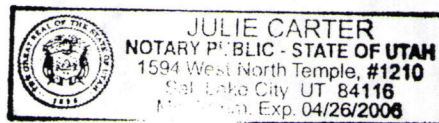
9/6/02  
Date

STATE OF Utah )  
COUNTY OF Salt Lake ) ss:

On the 6 day of September, 2002, Lowell P. Braxton personally appeared before me, who being duly sworn did say that he/she, the said Lowell P. Braxton is the Director of the Division of Oil, Gas and Mining, Department of Natural Resources, State of Utah, and he/she duly acknowledged to me that he/she executed the foregoing document by authority of law on behalf of the State of Utah.

Julie Carter  
Notary Public  
Residing at: Salt Lake

April 26, 2006  
My Commission Expires:





## ATTACHMENT "A"

Utah Portland Quarries, Inc.  
Operator

Little Mountain Quarry  
Mine Name

M/045/005  
Permit Number

Tooele County, Utah

### LEGAL DESCRIPTION

*Include 1/4, 1/4, 1/4 sections, townships, ranges and any other descriptions that will legally determine where disturbed lands are located. Attach a topographic map of suitable scale (max. 1 inch = 500 feet; 1 inch = 200 feet or larger scale is preferred) showing township, range and sections and a clear outline of the disturbed area boundaries tied to this Reclamation Contract and surety.*

The detailed legal description of lands to be disturbed includes portions of the following lands not to exceed 23.3 acres under the approved permit and surety, as reflected on the attached map labeled see below and dated see below :

The disturbed land area is illustrated on the map titled "Map 2, Detailed Site Location Map, Utah Portland Quarries, Inc., Little Mountain Quarry, Tooele County, Utah," dated July 6, 1984, as modified by the GPS map titled "Lone Star Industries, Inc. Little Mountain Quarry," prepared by DOGM on 8/13/02. Both maps are on file with the Division.

The legal description is portions of the:

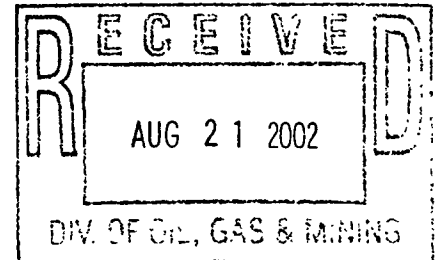
E 1/2 of the NE 1/4 of Section 20 and  
W 1/2 of the NW 1/4 of Section 21  
Township 2 South, Range 6 West, as more specifically illustrated  
in the above-referenced maps.

ATTACHMENT B

FORM MR-5  
January 19, 2000

Bond Number \_\_\_\_\_  
Permit Number M/045/005  
Mine Name Little Mtn.  
Quarry

STATE OF UTAH  
DEPARTMENT OF NATURAL RESOURCES  
Division of Oil, Gas and Mining  
1594 West North Temple Suite 1210  
Box 145801  
Salt Lake City, Utah 84114-5801  
Telephone: (801) 538-5291  
Fax: (801) 359-3940



THE MINED LAND RECLAMATION ACT

SURETY BOND

\*\*\*\*\*

The undersigned Utah Portland Quarries, Inc., as Principal, and  
SAFECO INSURANCE COMPANY OF AMERICA, as Surety, hereby jointly  
and severally bind ourselves, our heirs, administrators, executors, successors, and assigns, jointly  
and severally, unto the State of Utah, Division of Oil, Gas and Mining (Division) in the penal sum  
of Sixty Nine Thousand Eight Hundred dollars (\$ 69,800).

Principal has estimated in the Mining and Reclamation Plan approved by the Division on  
the 30th day of August 1985, revised 20<sup>th</sup> August 13, 2002, that 23.3 acres of land will be  
disturbed by mining operation in the State of Utah.

A description of the disturbed land is attached as "Attachment A" to the  
Reclamation Contract, of which this document is an integral part.

The condition of this obligation is that if the Division determines that Principal has  
satisfactorily reclaimed the disturbed lands in accordance with the approved Mining and  
Reclamation Plan and has faithfully performed all requirements of the Mined Land Reclamation  
Act, and complied with the Rules and Regulations adopted in accordance therewith, then this  
obligation shall be void; otherwise it shall remain in full force and effect.

If the Mining and Reclamation Plan provides for periodic partial reclamation of the  
disturbed lands, and if the lands are reclaimed in accordance with such Plan, Act and regulations,  
then Principal may apply for a reduction in the amount of this Surety Bond.

In the converse, if the Mining and Reclamation Plan provides for a gradual increase in the  
area disturbed or the extent of disturbance, then, the Division may require that the amount of this  
Surety Bond be increased, with the written approval of the Surety.

This bond may be canceled by Surety after ninety (90) days following receipt by the  
Division and Principal of written notice of such cancellation. Surety's liability shall then, at the



expiration of said ninety (90) days, cease and terminate except that Surety will remain fully liable for all reclamation obligations of the Principal incurred prior to the date of termination.

Principal and Surety and their successors and assigns agree to guarantee said obligation and to indemnify, defend, and hold harmless the Division from any and all expenses (including attorney fees) which the Division may sustain in the collection of sums due hereunder.

Surety will give prompt notice to Principal and to the Division of the filing of any petition or the commencement of any proceeding relating to the bankruptcy, insolvency, reorganization, or adjustment of the debts of Surety, or alleging any violation or regulatory requirements which could result in suspension or revocation of the Surety's license to do business.

IN WITNESS WHEREOF, the Principal and Surety hereunto set their signatures and seals as of the dates set forth below.

Utah Portland Quarries, Inc.  
Principal (Permittee)

JOHN L. QUINLAN  
By (Name typed):

CHIEF FINANCIAL OFFICER  
Title

John L. Quinlan  
Signature

8/16/02  
Date

**Surety Company**

SAFECO INSURANCE COMPANY OF AMERICA 1200 Macarthur Blvd.  
Surety Company Name Street Address

Richard Guarini Mahwah, NJ 07430  
Surety Company Officer City, State, Zip

Attorney-in-fact 201-327-7606  
Title/Position Phone Number

Richard Guarini  
Signature

August 09, 2002  
Date

Bond Number \_\_\_\_\_  
Permit Number M/045/005  
Mine Name Little Mountain  
Quarry

SO AGREED this 6 day of September, 2002.

AND APPROVED AS TO FORM AND AMOUNT OF SURETY:

Lowell P. Braxton  
Lowell P. Braxton, Director  
Utah State Division of Oil, Gas and Mining

\*NOTE: Where one signs by virtue of Power of Attorney for a Surety, such Power of Attorney must be filed with this bond. If the Operator is a corporation, the bond shall be executed by its duly authorized officer.

### AFFIDAVIT OF QUALIFICATION

On the 09th day of August, 20 02, Richard Guarini  
personally appeared before me, who being by me duly sworn did say that he/she, the said  
\_\_\_\_\_ is the Attorney-in-fact of  
Safeco Insurance Company of America and duly acknowledged that said instrument was  
signed on behalf of said company by authority of its bylaws or a resolution of its board of  
directors and said Richard Guarini duly acknowledged to me that said  
company executed the same, and that he/she is duly authorized to execute and deliver the  
foregoing obligations; that said Surety is authorized to execute the same and has complied in all  
respects with the laws of Utah in reference to becoming sole surety upon bonds, undertaking and  
obligations.

Signed: *Gary Manning*  
Surety Officer

Title: Attorney-in-fact

STATE OF New York )  
 ) ss:  
COUNTY OF Nassau )

Subscribed and sworn to before me this 09th day of August, 20 02.

*[Signature]*  
Notary Public  
Residing at: *[Address]*

My Commission Expires:

*11/11*, 20 *04*

# ACKNOWLEDGEMENT OF PRINCIPAL

## INDIVIDUAL - PRINCIPAL

STATE OF \_\_\_\_\_  
COUNTY OF \_\_\_\_\_

{ SS:

On this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_\_, before me, the undersigned personally came and appeared \_\_\_\_\_ to me personally known and known to me to be \_\_\_\_\_ the individual described in and who executed the foregoing instrument and duly acknowledged to me that \_\_\_\_\_ executed the same.

NOTARY PUBLIC STAMP

NOTARY PUBLIC

## CORPORATION - PRINCIPAL

STATE OF INDIANA  
COUNTY OF MARION

{ SS:

On this 16TH day of AUGUST, 2002, before me came JOHN L. QUINLAN to me known, who, being by me duly sworn, did depose and say that he resides at \_\_\_\_\_ that he is CHIEF FINANCIAL OFFICER of UTAH PORTLAND QUARRIES, INC. the corporation described in and which executed the foregoing instrument as principal; that he knows the seal of said corporation; that the seal affixed to said instrument is such corporate seal; that it was so affixed by order of the Board of Directors of said corporation, and that he signed his name thereto by like order.

NOTARY PUBLIC STAMP

*Samela J. Kenton*

NOTARY PUBLIC

Comm. Exp. 11/6/07

## PARTNERSHIP - PRINCIPAL

STATE OF \_\_\_\_\_  
COUNTY OF \_\_\_\_\_

{ SS:

On this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_\_, before me personally came \_\_\_\_\_ to me personally known, and known to me to be a member of the firm of \_\_\_\_\_ and he duly acknowledged to me that he executed the same for the uses and purposes therein mentioned.

NOTARY PUBLIC STAMP

NOTARY PUBLIC



POWER  
OF ATTORNEY

SAFECO INSURANCE COMPANY OF AMERICA  
GENERAL INSURANCE COMPANY OF AMERICA  
HOME OFFICE: SAFECO PLAZA  
SEATTLE, WASHINGTON 98185

No. \_\_\_\_\_

KNOW ALL BY THESE PRESENTS:

That **SAFECO INSURANCE COMPANY OF AMERICA** and **GENERAL INSURANCE COMPANY OF AMERICA**, each a Washington corporation, does each hereby appoint  
\*\*\*CRAIG H. TREIBER; JOHN H. TREIBER; RICHARD GUARINI; GARY MORRISSEY; MILENA LANGERT; JEAN C. SPEIRS; ROBERT G. TYNNAN; Garden City, New York\*\*\*\*\*

its true and lawful attorney(s)-in-fact, with full authority to execute on its behalf fidelity and surety bonds or undertakings and other documents of a similar character issued in the course of its business, and to bind the respective company thereby.

IN WITNESS WHEREOF, **SAFECO INSURANCE COMPANY OF AMERICA** and **GENERAL INSURANCE COMPANY OF AMERICA** have each executed and attested these presents

this 29 day of September, 19 98

CERTIFICATE

Extract from the By-Laws of **SAFECO INSURANCE COMPANY OF AMERICA**  
and of **GENERAL INSURANCE COMPANY OF AMERICA**:

"Article V, Section 13. - FIDELITY AND SURETY BONDS . . . the President, any Vice President, the Secretary, and any Assistant Vice President appointed for that purpose by the officer in charge of surety operations, shall each have authority to appoint individuals as attorneys-in-fact or under other appropriate titles with authority to execute on behalf of the company fidelity and surety bonds and other documents of similar character issued by the company in the course of its business . . . On any instrument making or evidencing such appointment, the signatures may be affixed by facsimile. On any instrument conferring such authority or on any bond or undertaking of the company, the seal, or a facsimile thereof, may be impressed or affixed or in any other manner reproduced; provided, however that the seal shall not be necessary to the validity of any such instrument or undertaking."

Extract from a Resolution of the Board of Directors of **SAFECO INSURANCE COMPANY OF AMERICA**  
and of **GENERAL INSURANCE COMPANY OF AMERICA** adopted July 28, 1970.

"On any certificate executed by the Secretary or an assistant secretary of the Company setting out,

- (i) The provisions of Article V, Section 13 of the By-Laws, and
- (ii) A copy of the power-of-attorney appointment, executed pursuant thereto, and
- (iii) Certifying that said power-of-attorney appointment is in full force and effect,

the signature of the certifying officer may be by facsimile, and the seal of the Company may be a facsimile thereof."

I, R. A. Pierson, Secretary of **SAFECO INSURANCE COMPANY OF AMERICA** and of **GENERAL INSURANCE COMPANY OF AMERICA**, do hereby certify that the foregoing extracts of the By-Laws and of a Resolution of the Board of Directors of these corporations, and of a Power of Attorney issued pursuant thereto, are true and correct, and that both the By-Laws, the Resolution and the Power of Attorney are still in full force and effect.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the facsimile seal of said corporation

this 09<sup>th</sup> day of August, ~~19~~ 2002



## SAFECO INSURANCE COMPANY OF AMERICA

## FINANCIAL STATEMENT — DECEMBER 31, 2001

Assets		Liabilities	
Cash and Bank Deposits .....	\$ 28,779,143	Unearned Premiums .....	\$ 573,965,389
*Bonds — U.S. Government .....	172,579,475	Reserve for Claims and Claims Expense .....	1,520,553,379
*Other Bonds .....	1,686,877,756	Funds Held Under Reinsurance Treaties .....	551,241
*Stocks .....	595,048,675	Reserve for Dividends to Policyholders .....	6,684,466
Real Estate .....	35,076,733	Additional Statutory Reserve .....	—
Agents' Balances or Uncollected Premiums .....	286,362,995	Reserve for Commissions, Taxes and	
Accrued Interest and Rents .....	32,961,439	Other Liabilities .....	536,160,641
Other Admitted Assets .....	557,153,050	<b>Total .....</b>	<b>\$2,637,915,116</b>
		Capital Stock .....	\$ 5,000,000
		Paid in Surplus .....	152,306,484
		Unassigned Surplus .....	599,617,666
		<b>Surplus to Policyholders .....</b>	<b>756,924,150</b>
<b>Total Admitted Assets .....</b>	<b>\$3,394,839,266</b>	<b>Total Liabilities and Surplus .....</b>	<b>\$3,394,839,266</b>



\* Bonds are stated at amortized or investment value; Stocks at Association Market Values. Securities carried at \$121,297,719 are deposited as required by law.

I, MICHAEL C. PETERS, president of SAFECO Insurance Company of America, do hereby certify that the foregoing is a true, and correct statement of the Assets and Liabilities of said Corporation, as of December 31, 2001, to the best of my knowledge and belief.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of said Corporation at Seattle, Washington, this 1st day of March, 2002.

President



# Lone Star Industries, Inc.

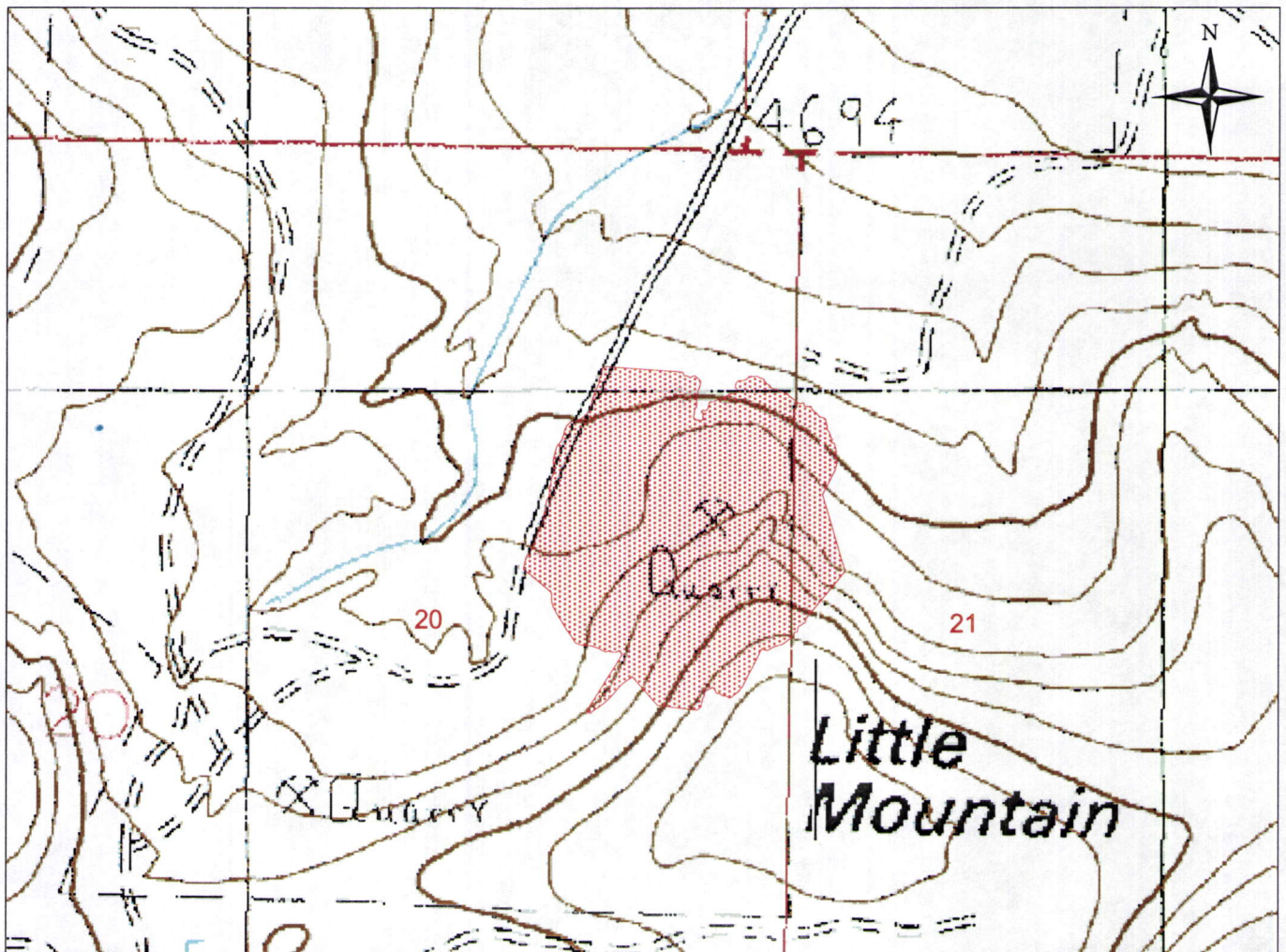
## Little Mountain Quarry

M/045/005



**Little Mountain Quarry**

E/2 NE/4 of Sec. 20 and the W/2 NW/4 Sec. 21  
Township 2 South, Range 6 West, SLBM



Flux Quad

0 400 800 1200 1600 Feet



This map may not meet Division standards for accuracy and content. Different data sources and input scales may cause some misalignment of data layers.

Prepared 8/13/02 by DOGM